

# FISCAL NOTE

## SB 221 - HB 527

February 12, 1997

**SUMMARY OF BILL:** Reduces the years of service requirement for retirement eligibility for Group 1 employees who are teachers from 30 years of creditable service to 25 years of creditable service.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$13,181,000 - \$68,509,000 Annual Amortized Cost**

**Increase Local Govt. Expenditures\* - \$5,649,000 - \$29,361,000 Annual Amortized Cost**

	<u>Lump Sum Liability</u>	<u>1st Year (20 Year Amortization)</u>
State	\$122,825,500 - \$312,410,000	\$13,181,000 - \$68,509,000
Local Education Agency	\$56,639,500 - \$133,890,000	\$5,649,000 - \$29,361,000

The lower liability estimate assumes no change in the age-at-retirement pattern while the upper end range assumes a significant change in the retirement pattern.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director